Mr. President,

1. This past month has underscored the gap between the aspirations of the political process and the grim realities of the situation on the ground in the Middle East. Continued efforts to progress along the Annapolis track, with the beginning of negotiations on core issues and a visit of US President George W. Bush, were overshadowed by an intensification of violence in Gaza and southern Israel, combined with periods of total closure of the Gaza Strip and increased humanitarian suffering and violations of human rights.

2. Since I last briefed the Council on 22 January, there have been significant developments in the crisis in Gaza.

3. On 23 January, Palestinian militants destroyed entire sections of the border fence with Egypt. Since then, hundreds of thousands of Gazans have crossed the border, and many who had earlier been stranded in Egypt have returned to Gaza. Following efforts by Egyptian security forces to close the border on 25 January, Hamas toppled additional sections of the border fence. A number of Egyptian security personnel sustained injuries when fired upon by Palestinian militants, but exercised restraint, and the situation remained, by and large, calm. On 29 January, shops in the border area had largely run out of goods, and Egyptian forces took steps to begin sealing the border.

4. In Egypt, Palestinians purchased food, medicine, and other supplies that are mostly unavailable in Gaza due to closure. There have also been claims, which we are unable to verify, of weapons and explosives entering Gaza. We support Egypt’s continuing efforts to find a peaceful and orderly solution along the border.

5. From January 18, when Israel imposed a comprehensive closure, until yesterday, only 32 truckloads of goods entered Gaza, including ten from a Jordanian donation. This compares to a daily average of 93 trucks during the first two weeks of 2008 and of 250 trucks before June 2007. There is now a backlog of approximately 224 UNRWA, WHO and WFP truck, although we understand 35 trucks of the UN and the ICRC have been scheduled to go into Gaza today. WFP distributions in some areas of Gaza had already run out of sugar and salt, and UNRWA reported that its stocks of canned meat would run out within a week. United Nations Palestinian staff with permits to exit Gaza are not currently allowed to do so, resulting in the hampering of UN operations.
6. Fuel imports from Israel resumed on 22 January, with a total of 1.566 million litres of industrial diesel going into Gaza from Israel for the week ending 27 January. It is expected that 2.2 million litres of industrial fuel will be allowed this week; however, just over 3 million litres are necessary to avoid power cuts, and reserves of up to 20 million litres are necessary to ensure normal functioning of the power plant. At the current level of fuel supply, electricity cuts will continue -- in some areas for as much as 8 hours a day.

7. Some water wells are functioning again after being reconnected to electricity and functioning generators, but UNICEF reports that 40% of Gazans still have limited access to safe water.

8. The crisis adds new urgency to the proposal of the Palestinian Authority to operate the Gaza crossings. We reiterate the Secretary-General’s strong support for these proposals, and welcome the recent Arab League and European Council resolutions in this respect. We also welcome the diplomatic efforts led by issue currently underway on this issue. We call on all parties to work urgently for the controlled re-opening of the crossings in and out of the Strip for both humanitarian reasons and commercial flows, in accordance with the provisions of the relevant international agreements related to Access and Movement concluded in November 2005. Such flows should include materials and equipment to enable UN re-housing and rubble removal projects to resume. The United Nations stands ready to assist efforts to implement the Palestinian Authority’s proposals in any way it can.

Mr. President,

9. It has been a month of heavy bloodshed: a total of 108 Palestinians have been killed and 229 injured in conflict with the Israel Defense Forces. Three Israelis have been killed and 24 injured by Palestinian militants.

10. IDF incursions into West Bank cities and towns continue on a regular basis. During the reporting period, for example, the entire city of Nablus was placed under curfew for three days in early January. There were also a number of incidents of violence in the West Bank, including in occupied East Jerusalem, where Palestinian militants attacked Israeli border police and religious seminary students.

11. Today, Israel's Supreme Court declared legal the reductions to the fuel and electricity supply of Gaza. The ruling effectively approves the decision adopted by the government on 19 September 2007, to impose sanctions on the Gaza Strip in response to continued rocket and mortar fire on Israel. I take this opportunity to remind the Council of the Secretary-General’s statement of 19 September, where he noted his concern for the 1.4 million residents of Gaza, including the old, the young and the sick, who are already suffering from the impact of prolonged closure, and said that they should not be punished for the unacceptable actions of militants and extremists.
12. We note that levels of violence have been significantly reduced in the past week in Gaza and southern Israel. We remain concerned however, that 77 rockets and mortars were fired in the last week by Palestinian militants, and that there were also four IDF incursions and air strikes on Gaza.

13. In last week’s briefing, the UN condemned the firing of rockets against civilians in Southern Israel and called on all parties to abide by international law and not endanger civilians. The United Nations has also clearly stated its deep concerns over Israeli military actions, including targeted killings and the grave humanitarian consequences of Israel’s closure policy. As such, I will not repeat these statements of position at this time.

Mr. President,

14. On a more positive note, the parties began negotiations on the core issues during the reporting period. US President Bush visited the region and committed himself to doing all he could to ensure that a peace agreement is achieved in 2008. He stressed that the "point of departure" for permanent status negotiations was "an end to the occupation that began in 1967", and made a number of public observations regarding borders, refugees, Jerusalem and security.

15. He also issued strong calls for both sides to fulfil their commitments under the Road Map, including for removal of outposts and a settlement freeze and for action against violence and terrorism. US General William Fraser has been appointed to lead US efforts to monitor implementation of Phase I of the Road Map in accordance with the Annapolis joint understanding.

Mr. President,

16. The Paris donor conference co-chairs – the European Commission, Norway, France and Quartet Representative Tony Blair – met last week to follow up on commitments made by participants in Paris. The chairs stressed the importance of tangible and visible changes on the ground through implementing the Palestinian Reform and Development Plan without delay. The total amount of aid pledged has reached US$7.7 billion. A significant number of donors intend to transfer their aid to the single Treasury account of the Palestinian Authority. Co-chairs have agreed to meet again in March.

17. At the request of Prime Minister Fayyad, the World Bank is putting in place arrangements for a new Multi-Donor Trust Fund to channel donor support to the PA’s recurrent operating budget. The European Commission has announced that the Palestinian European Aid Mechanism, designed in close consultation with the PA, will be launched on 1 February as a follow-up to the Temporary International Mechanism (TIM). This mechanism will be open to all donors and will combine investment and recurrent support more comprehensively than the TIM currently does.

18. Quartet Representative Blair continues his efforts to secure implementation of projects to support Palestinian economic revitalization. The UN Country Team
met earlier this week to strengthen inter-agency coordination, particularly in support of the PRDP.

Mr. President,

19. Palestinian reform efforts and the assistance of donors cannot make a sustained impact without a significant easing of closure, in accordance with the Agreement on Movement and Access. OCHA reports that there are 563 obstacles to Palestinian movement in the West Bank. It is vital that these closures be eased in a context of increased mobility, security and confidence.

20. In this regard, Palestinian Authority security forces continue to work to maintain law and order, including disarming and arresting militants. We encourage the Palestinian Authority to continue and deepen its efforts to meet its Phase 1 Road Map obligations on security, and call for improved cooperation to support these efforts.

21. The Secretary-General has reaffirmed the United Nations position on the illegality of settlements. Phase One of the Road Map requires the Government of Israel to freeze all settlement activity, including “natural growth.” We call on Israel to act to meet its obligations to halt settlement activity, dismantle all outposts erected since March 2001, and re-open Palestinian institutions in East Jerusalem.

22. Construction work on the barrier continues within occupied Palestinian territory, in deviation from the Green Line and contrary to the International Court of Justice advisory opinion.

Mr. President,

23. Turning to Lebanon, political and security developments continue to be a cause for serious concern.

24. On the political front, Lebanon's parliamentary session to elect a president has been delayed for the thirteenth time, until 11 February. Despite the diplomatic efforts led by the League of Arab States, the parties are no closer to reaching an agreement. The presidential vacuum has persisted since 24 November and has led to a situation that is dangerous and ultimately unsustainable. Lebanon's leaders must act now to find a way to bridge their positions and return the country to normal political activity.

25. Political uncertainty has been exacerbated further by the increased frequency of grave security incidents. On 27 January, demonstrations began in a southern suburb of Beirut apparently to protest interruptions to the electricity supply in the area. The unrest led to the deployment of the Lebanese Armed Forces and security services in the area in an attempt to restore calm. Demonstrations soon spread to the towns of Tyre and Khiam in southern Lebanon and in northeastern parts of the Bekaa valley. By nightfall, seven people had been killed and up to 40 wounded. The Lebanese Army has announced that it will investigate the deaths.
26. On 25 January, Lebanon suffered yet another targeted assassination when an explosion in Beirut killed Captain Wissam Eid and Adjutant Osama Merib of the Internal Security Forces and four others and injured up to twenty people. On 15 January, a car bomb explosion in an industrial area of Beirut killed three passers-by and wounded dozens. A diplomatic vehicle from the US Embassy in Lebanon was also impacted in the bombing and both occupants were wounded. Aside from attacks on UNIFIL, this is the first attack on a diplomatic target in Beirut since the days of Lebanon's civil war. In addition, early in the morning of 21 January, a hand grenade was detonated in a residential area of Beirut. The explosion caused material damage but no injuries. There have been no claims of responsibility for these incidents.

27. The situation in the UNIFIL area of operations has remained mostly quiet, but tense, particularly in the wake of several incidents that occurred on 7 and 8 January, on which the Council has already been briefed by Under-Secretary-General Guehenno. UNIFIL and LAF are continuing their investigations into the 8 January attack against a UNIFIL vehicle. Similarly, the investigation into the 8 January rocket firings against the northern Israeli town of Shelomi is continuing. There have been no claims of responsibility made. The Secretary-General issued statements condemning both incidents. On 21 January, the Lebanese Armed Forces fired on two Israeli aircraft within Lebanese airspace inside UNIFIL's area of operations.

28. The Secretary-General has strongly condemned the grave security incidents during this last month and has called for the perpetrators to be brought to justice.

29. In the North, the UN system, under the operational guidance of UNRWA, continues to provide humanitarian assistance and undertake emergency rehabilitation initiatives in the Palestinian refugee camp of Nahr el Bared where the Lebanese Army confronted the Fatah al-Islam armed group from May to September last year.

Mr. President,

30. The Secretary-General fully supports the efforts of Prime Minister Olmert and President Abbas to reach a peace treaty in 2008, and encourages them to make tangible progress on all core issues, including final status issues.

31. However, it is equally critical that the situation on the ground stabilizes and improves, in order to sustain the Annapolis process.

32. The Secretary-General will continue to work closely with Quartet partners, regional countries, and this Council, towards implementation of the Road Map and a two-state solution, resulting in the coexistence in peace and security of the State of Israel and the State of Palestine, in fulfilment of resolutions 242, 338, 1397 and 1515, and the Arab Peace Initiative.

Thank you, Mr. President.